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# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

M/021/0008

1006

October 19, 2009

Palladon Iron Corporation  
Iron Bull Mining and Milling  
2708 S. Comstock Road  
Cedar City, Utah 84720

Subject: Approval of Amended Notice of Intention to Commence Large Mining Operations (NOI) and Reclamation Surety, Palladon Iron Corporation, Iron Mountain Mine, M/021/0008, Iron County, Utah

Dear Mr. Yeomans:

The Division has received the reclamation surety for the Iron Mountain Mine and two copies of the amended NOI. The Division now permits you to begin mining operations as outlined in your amended large mining notice. The permitted disturbed area is now 482.7 acres. A copy of the executed surety documents will be forwarded to the BLM field office for their records. The surety will be reviewed periodically to assure that the bond remains adequate.

The approval or acceptance of a complete notice of intention does not relieve an operator from his responsibility to comply with the applicable statutes, rules, regulations, and ordinances of all local, state and federal agencies with jurisdiction over any aspect of the operator's mining operations.

Enclosed are copies of the signed surety bond forms for your files. Also enclosed is a copy of the "approved" amendment for your files.

All future correspondence should reference M/021/0008. Thank you for your help and patience in finalizing this permitting action. Please call me if you have any questions in this regard.

Sincerely,

Paul Baker  
Minerals Mining Manager

PB:tm:vs

Enclosure

cc: [opie\\_abeyta@blm.gov](mailto:opie_abeyta@blm.gov)

[ed\\_ginuouves@blm.gov](mailto:ed_ginuouves@blm.gov)

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Variances:

1. Some haul roads (Crystal Springs access road) will serve as livestock ranching and third party property access for post-mine use.
2. 70% revegetation standard may be waived on Pre-Act areas. Operator is required to establish a minimum cover of beneficial vegetation, if possible. If operator has used practical methods which are those specified in the permit and minimal cover of beneficial vegetation is not met. This standard may be waived.
3. Highwall and natural drainage blocking variance.

12.2.4 S/021/010 [Excelsior/Chesapeake]

Permitted as 5 acres of disturbance. Now subject to R647-4-107, 110, and 111.

12.3 RECLAMATION PLAN FOR AREAS UNDER APPLICATION (Comstock Waste Dump Extension, Tip Top, Excelsior/Chesapeake Extension, Burke Pit Road)

Reclamation Plan:

The Comstock Dump Extension is identified on Drawing IM-0100-3, sheet 6 of 6, and IM-0100-3f, sheet 6 of 6. Because the proposed landfill is located on top of the existing dump, it is included in the reclamation plan for that dump. The reclamation plan is as follows:

The dump crest will be rounded during reclamation to blend with surrounding lands. Maximum slope angle of the dump face will be 35 degrees or flatter, which will allow for rounding of crest and toe. Using dozers, the top of the dump will be rounded to a broad, convex hillock. The main dump slope and toe of the dump will be concave in shape (see cross-sections in Figure 0101-9). The dump itself will have more shape variation than older dump areas on the property, and thus will look more natural and blend better with native surroundings, as shown on IM -0100-13.

As the dump is created, large rocks will be dumped in the minor ephemeral draw, located near the north end of the dump extension. This action, plus the natural coarseness and porosity of the remaining dump material to be placed on top of these rocks, will allow any water seepage in this draw to pass through the dump without creating stability problems.

Large rocks will also be used selectively on the dump top and slopes to provide islands of habitat, erosion control, and wind shelter for plants and animals.

- 1) Topsoil will be recovered where possible. The soil (Ironco-Quilt Complex, 25-60% slopes, 0-3" – extremely cobbly loam, 3-11" – very cobbly loam) is not conducive to collection and redistribution, but will be salvaged where possible to an average salvage depth of 6 inches across the 60.4 acre area to be disturbed. Topsoil will not be stripped from topsoil storage areas. An effort will be made to develop a suitable soil substitute to augment soil resources, using fines generated during mining mixed with 5 ton/acre foot (6 lb/cubic yard) of composted manure. Topsoil will be stored in two stockpile areas: one located near the base of the pre-1995 dump toe (Topsoil Stockpile 1), and one located on top of the 1995 dump

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**SEP 04 2008**

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**OCT 19 2009**

MINING  
Div. of Oil, Gas & Minerals